

LATHAM & WATKINS^{LLP}

April 2, 2010

VIA FEDEX

CALIFORNIA ENERGY COMMISSION
Attn: Docket No. 08-AFC-08
1516 Ninth Street, MS-4
Sacramento, California 95814-5512

Re: Hydrogen Energy California Project: Docket No. 08-AFC-08

Dear Sir/Madam:

Pursuant to California Code of Regulations, Title 20, Sections 1209, 1209.5, and 1210, enclosed herewith for filing please find Applicant's Response to Staff Data Request No. 8; Emission Reduction Credit Package Summary.

Please note that the enclosed submittal was filed today via electronic mail to your attention and served on all parties to the above-referenced project.

Very truly yours,



Paul E. Kihm
Senior Paralegal

Enclosure

cc: 08-AFC-08 Proof of Service List (w/encl., via e-mail and U.S. Mail)
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File No. 045049-0001

DOCKET

08-AFC-8

DATE APR 02 2010

RECD. APR 05 2010

**STATE OF CALIFORNIA
ENERGY RESOURCES
CONSERVATION AND DEVELOPMENT COMMISSION**

In the Matter of:)	Docket No. 08-AFC-08
)	
APPLICATION FOR CERTIFICATION,)	PROOF OF SERVICE
FOR THE HYDROGEN ENERGY)	
CALIFORNIA PROJECT BY HYDROGEN)	(February 8, 2010)
ENERGY INTERNATIONAL, LLC)	
)	
)	
)	

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HYDROGEN ENERGY CALIFORNIA PROJECT
CEC Docket No. 08-AFC-08

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HYDROGEN ENERGY CALIFORNIA PROJECT
CEC Docket No. 08-AFC-08

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DECLARATION OF SERVICE

I, Paul Kihm, declare that on April 2, 2010, I served and filed copies of the attached:

**APPLICANT'S RESPONSE TO STAFF DATA REQUEST NO. 8; EMISSION
REDUCTION CREDIT PACKAGE SUMMARY**

to all parties identified on the Proof of Service List above in the following manner:

California Energy Commission Docket Unit

- ☒ Transmission via electronic mail and by depositing one copy with FedEx overnight mail delivery service at Costa Mesa, California, with delivery fees thereon fully prepaid and addressed to the following:

CALIFORNIA ENERGY COMMISSION

Attn: DOCKET NO. 08-AFC-08

1516 Ninth Street, MS-4

Sacramento, California 95814-5512


docket@energy.state.ca.us

For Service to All Other Parties

- ☒ Transmission via electronic mail to all email addresses on the Proof of Service list; and
- ☒ by depositing one paper copy with the United States Postal Service via first-class mail at Costa Mesa, California, with postage fees thereon fully prepaid and addressed as provided on the Proof of Service list to those addresses **NOT** marked "email preferred."

I further declare that transmission via electronic mail and U.S. Mail was consistent with the requirements of California Code of Regulations, title 20, sections 1209, 1209.5, and 1210.

I declare under penalty of perjury that the foregoing is true and correct. Executed on April 2, 2010, at Costa Mesa, California.



Paul Kihm

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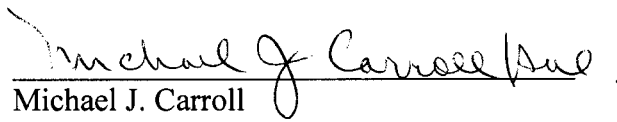
STATE OF CALIFORNIA
ENERGY RESOURCES
CONSERVATION AND DEVELOPMENT COMMISSION

In the Matter of:)	Docket No. 08-AFC-8
)	
REVISED APPLICATION FOR)	APPLICANT'S RESPONSE TO STAFF
CERTIFICATION)	DATA REQUEST NO. 8; EMISSION
FOR THE HYDROGEN ENERGY)	REDUCTION CREDIT PACKAGE
CALIFORNIA PROJECT)	SUMMARY
)	

In response to California Energy Commission Staff Data Request No. 8, Applicant Hydrogen Energy International LLC hereby files the attached Emission Reduction Credit Package Summary. This emission reduction credit package meets the emission offset obligations of the Hydrogen Energy California Project as described in the Revised Application for Certification.

DATED: April 2, 2010

Respectfully submitted,


Michael J. Carroll
LATHAM & WATKINS LLP
Counsel to Applicant

San Joaquin Valley Air Pollution Control District
EMISSION REDUCTION CREDIT PACKAGE SUMMARY

HECA LLC

(March 29, 2010)

All of the Emission Reduction Credits (ERCs) necessary for the HECA project, as required in the current SJVAPCD Air Permit Application with a ratio of 1:1.5 for all required emission reductions, have been procured.*

*The ERC certificates are either (i) issued to Hydrogen Energy California LLC, a Delaware limited liability company ("HECA"), or (ii) committed to HECA through executed agreements with ERC holders.

The required ERCs for HECA's SJVAPCD Air Permit Application are as follows:

<i>Type</i>		<i>Total Quantity</i>
		<i>(tons/year equally distributed among quarters)</i>
VOC	(Volatile Organic Compounds)	61
NOx	(Nitrogen Oxides)	305
SOx	(Sulfur Oxides)	63
PM _{10,2.5}	(Particulate Matter)	211

A ratio of 1:1 has been used to procure SOx certificates that are to be applied to PM emissions.

The ERC package is composed of ERCs that have been generated from three locations and ownerships:

Big West of California, LLC ("Big West")			
<i>Transfer to HECA LLC, date</i>	<i>11/2009</i>		
NOx			
Tons/year	241.00		
lb/quarter, Equally Distributed among Quarters	120,500		
Certificate Number	S-3273-2		

Current Ownership	Hydrogen Energy California LLC		
Location of Reduction	6500 Refinery Ave, Bakersfield, CA Section: NE27, Township: 29S, Range: 27E		
Method of Reduction	Shutdown of Catalytic Cracker, Fluid Cocker, and CO Boiler		
SOx			
Tons/year	84.00		
Ib/quarter, Equally Distributed among Quarters	42,000.00		
Certificate Number	S-3275-5		
Current Ownership, 2010	Hydrogen Energy California LLC		
Location of Reduction	6451 Rosedale Hwy, Area I, Bakersfield, CA Section: NE27, Township: 29S, Range: 27E		
Method of Reduction	Shutdown of Tail Gas Incinerator, 2007027A		
Aer Glan Energy LLC ("Aer Glan")		First 2011 Purchase	Final 2011 Purchase
<i>Transfer to HECA LLC, date</i>	<i>1/2010</i>	<i>2/2011</i>	<i>4/2011</i>
VOC			
Tons/year	29.25	15.875	15.875
Ib/quarter, Equally Distributed among Quarters	14,625.00	7,937.50	7,937.50
Certificate Number	S-3305-1	S-3306-1	S-3306-1
Current Ownership, 2010	Hydrogen Energy California LLC	Aer Glan	Aer Glan
Location of Reduction	20807 Stockdale Hwy, Bakersfield, CA (Major SS) Section: NE06, Township: 30S, Range: 26E		
Method of Reduction	Shutdown of Entire Stationary Source		
G.I.C. Financial Services, Inc. ("G.I.C.")			Final 2011 Purchase
<i>Transfer to HECA LLC, date</i>	<i>3/2010</i>		<i>5/2011</i>
NOx			
Tons/year	20.20		43.80
Ib/quarter, Equally	10,100.00		21,900.00

Distributed among Quarters			
Certificate Number	C-1058-2		C-1059-2
Current Ownership, 2010	Hydrogen Energy California LLC		G.I.C.
Location of Reduction	11535 E Mountain View Ave., Kingsburg, CA		
Method of Reduction	Install Selective Catalytic Reduction, SCR, and Scrubber and convert from fuel oil to natural gas		
SOx			
Tons/year	49.00		141.00
lb/quarter, Equally Distributed among Quarters	24,500.00		70,500.00
Certificate Number	C-1058-5		C-1059-5
Current Ownership, 2010	Hydrogen Energy California LLC		G.I.C.
Location of Reduction	11535 E Mountain View Ave., Kingsburg, CA		
Method of Reduction	Install Selective Catalytic Reduction, SCR, and Scrubber and convert from fuel oil to natural gas		

Big West of California, LLC, a Utah limited liability company

The quantities, equally distributed among quarters, in the table above are currently under HECA's ownership. The emission reductions were generated from a location that is less than 20 miles from the HECA project site.

Aer Glan Energy LLC, a Delaware limited liability company

The quantities, equally distributed among quarters, in the table above have been transferred to HECA or are under contract with HECA. The emission reductions were generated from a location that is less than 10 miles from the HECA project site.

A portion of the VOC ERCs have been transferred to HECA pursuant to a direct sale. The remaining VOCs will be transferred to HECA LLC in two transactions which are contingent upon the positive progression of agreed project milestones.

G.I.C. Financial Services, Inc., a Delaware corporation

The quantities, equally distributed among quarters, in the table above have been transferred to HECA or are under contract with HECA. The emission reductions were generated from a location that is less than 100 miles from the HECA project site.

A portion of the G.I.C. NOx and SOx ERCs have been transferred to HECA pursuant to a direct sale. The remaining G.I.C. NOx and SOx ERCs will be transferred to HECA in the event that HECA elects to exercise the option to purchase such ERCs on or before May 2011.